IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO. 137 OF 1990

M/s. Narmada Cement Co. Ltd., Bombay .. Applicant
V/s.
The Commissioner of Income-tax, Bombay .. Respondent

Mr. P.C. Tripathi for the Applicant.
Mr. R.V. Desai with Ms. S.V. Bharucha and Mr. R. Ashokan for the Respondent

CORAM : S. RADHAKRISHNAN &
J.P. DEVADHAR, JJ.
DATED : 22.02.2005

P.C.:-

1. Heard the learned counsel for the Applicant and the Respondent. The question referred to reads as under:-

> "1. Whether on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the interest received by the assessee on temporary balance funds kept on short-term deposits with banks with a view to reduce the total cost of the project was liable to tax."

2. Both the learned counsel for the Applicant and the Respondent fairly state that the question referred in the above is squarely covered by a judgment of this Court in **Alkali Chemicals and Fertilizers Ltd. v. C.I.T. (1997) 227 ITR 172**. Hence, the question is answered in the affirmative in favour of Revenue and against the Assessee.

(S. RADHAKRISHNAN, J.)

(J.P. DEVADHAR, J.)